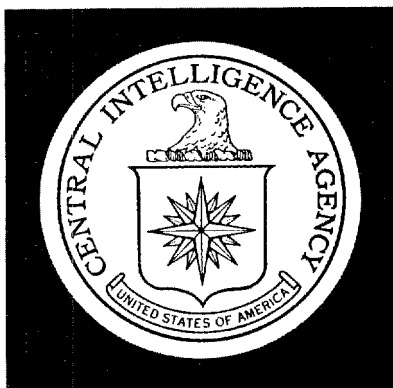


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DIRECTORATE OF  
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# *WEEKLY SUMMARY*

## *Special Report*

*Liberia: Problems of an Aging Oligarchy*

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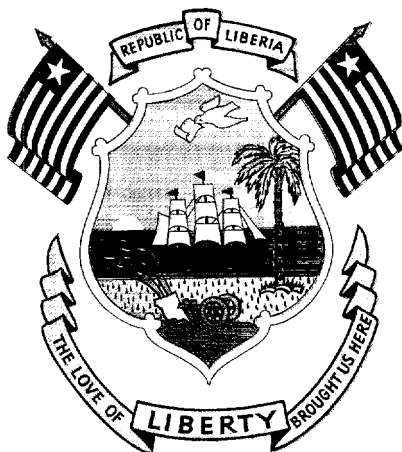
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## LIBERIA: PROBLEMS OF AN AGING OLIGARCHY



Liberia, the oldest republic on the continent and the African nation with the longest unbroken history of independence, has in recent decades escaped the instability with which many of its neighbors are struggling. President William Vacanarat Shadrach Tubman has ruled virtually unchallenged over Liberia for the past 25 years, and prospects are good that the country will remain stable so long as he is in office. While preserving the basic prerogatives of the Americo-Liberian coastal elite (descendents of freed slaves from the US), the 73-year-old Tubman has encouraged foreign investment and has initiated some social change by gradually "modernizing" tribal peoples.

Long-range prospects of stability are somewhat less certain, however. Economically, the country is confronted with a pressing foreign debt servicing problem that will require stringent economic austerity over the next several years. Politically, the ruling Americo-Liberian oligarchy—consisting of about 200 interrelated families who determine the distribution of political and economic spoils for Liberia's million-plus inhabitants—is still basically unwilling to share its power and wealth with the tribal majority. Their control is pervasive and exercised formally through the True Whig Party, which has been in power continuously since 1878. The barriers imposed by this "system" are resented in varying degree by growing numbers of educated young modernists of both tribal and nontribal backgrounds. Pressures for reform are bound to increase in a post-Tubman Liberia, and the country's long-range stability depends in large measure upon the ability of Tubman's successors to cope with these pressures and to mitigate to some extent the autocratic and regressive position of the Americo-Liberian elite.

### CURRENT POLITICAL PROBLEMS

An uneasy internal political situation has prevailed in Liberia for almost a year, dating back to the indictment in March 1968 of Henry B.

Fahnbulleh, the former Liberian ambassador to Kenya, on charges of conspiring to overthrow the government. Fahnbulleh, a member of a prominent tribal family and probably a genuine

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subversive, had been in close contact with Chinese Communist agents and some radical pan-Africanists. Following his arrest, a number of anti-Tubman signs and tracts mysteriously appeared in Monrovia and other areas of the country over a period of months; these strongly denounced Tubman and his regime for "exploiting" the tribal peoples.

Although a well-planned conspiracy almost certainly did not exist and the anti-Tubman manifestations were probably the work of a very small group of tribal Liberians and perhaps reform-minded Americo-Liberians, Tubman and other Americo-Liberian "Honorables" became concerned that a tribally inspired plot might be developing. Tensions increased, and members of

the coastal elite evinced apprehension in discussing the Fahnbulleh affair even after the ambassador had been convicted of treason and sentenced to 20 years of hard labor. Tubman himself, long distrustful of the educated elite, added to the tensions in a series of speeches in which he emotionally attacked Liberia's "intellectual clique" and accused resident foreign educators, particularly Nigerian Ibos, of engaging in "underground activities." He warned of the dangers of "revolutionary changes" in Liberia and accused those responsible for the dissidence of attempting to introduce "the basest form of Communism"—presumably the Chinese variety—into Liberia. Numerous loyalty demonstrations were staged in the capital to demonstrate Tubman's pervasive control of the populace to any would-be plotters.

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President William V. S. Tubman

Although he continues to warn foreigners not to meddle in internal affairs, Tubman has also defended his pro-Western foreign and "open door" economic investment policies. In addition, three prominent government officials, charged with involvement in the Fahnbulleh plot, were given an "amnesty" by Tubman in January without ever standing trial. All were tribal Liberians, and Tubman may have detained them essentially to warn tribal peoples of the consequences of becoming too ambitious or of seeking radical solutions.

The antiregime activists, probably at most only a handful of radicals, currently do not pose a

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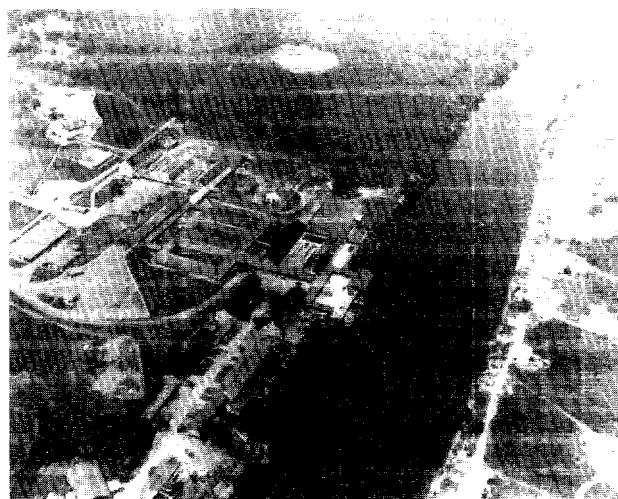
serious threat to Tubman. Nevertheless, their actions are relatively brazen acts of defiance considering the harsh punishment dealt out in the past to individuals who dared challenge Tubman's authoritarian rule. As late as November, a tract bitterly attacking Tubman and signed by an unknown group calling itself the "Aborigines Liberation Front" was widely distributed in Liberia. In the long run, however, the ranks of the dissidents will almost certainly grow if the coastal minority continues to exercise almost total control and fails to improve life in the hinterlands.

#### CURRENT ECONOMIC PROBLEMS

Liberia's monetary economy—consisting largely of rubber plantations and iron ore mines built by foreign capital—has grown rapidly over the past 15 years and is expected to continue to expand, although at a slower rate. Direct investment is still encouraged under the government's "open door" policy, which offers favorable treatment and security to foreign investors, but most major private investment projects have been completed. Rubber and iron ore account for about 90 percent of Liberia's exports, directly provide more than 25 percent of government revenues and indirectly much of the rest, and



Tribal Village in Nimba County



Firestone Rubber Plantation Factory  
and Shipping Facilities

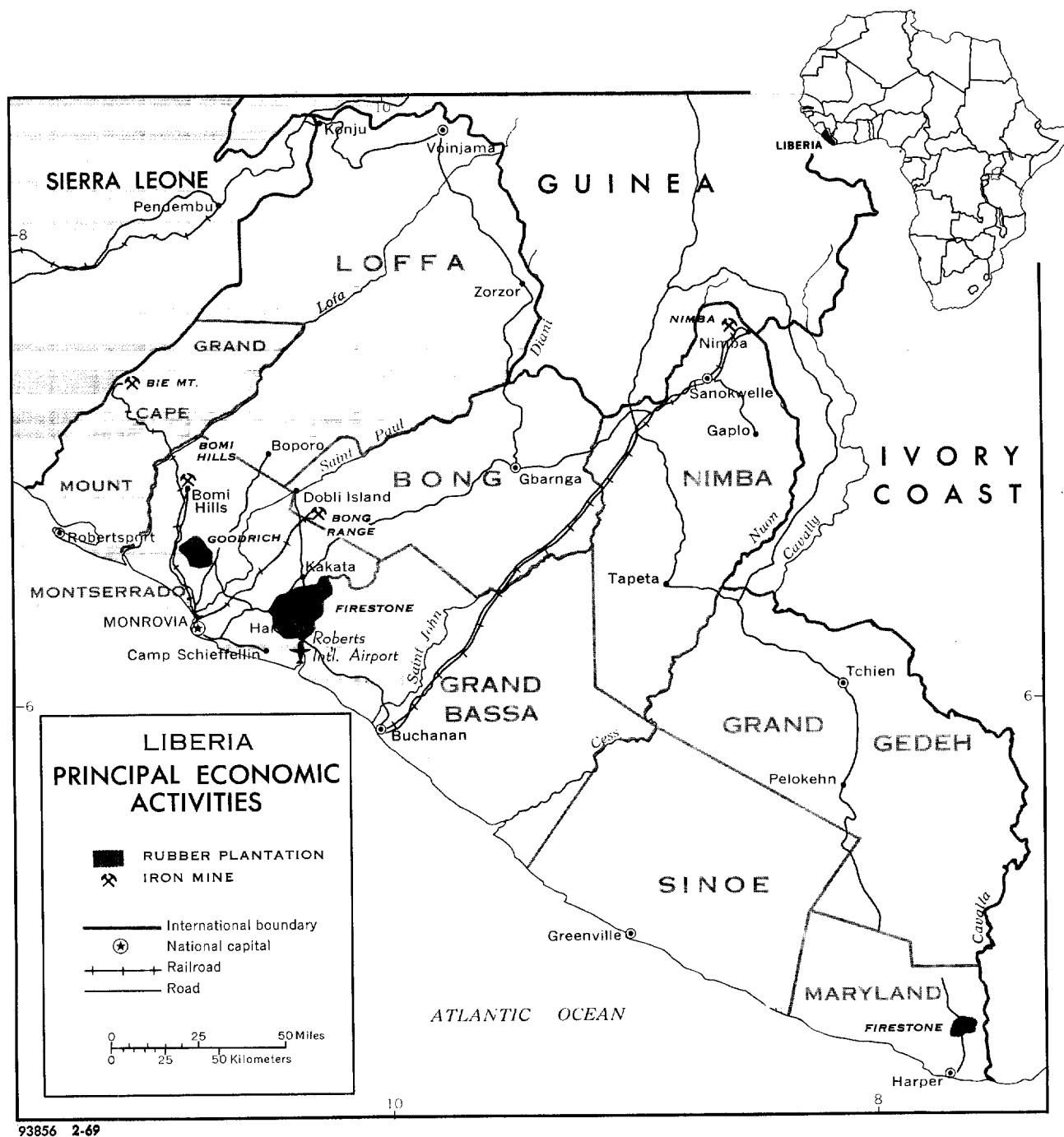
employ more than 55 percent of the small wage-labor force.

The country's growth has been almost entirely a result of the expanded output of foreign enclaves, and about two-thirds of the population has remained largely untouched by the money economy. The mining industry has drawn little labor from the local population because modern labor-saving production techniques are generally employed. Soils and climate are suitable for agricultural expansion, but there is little cash cropping, and native-generated agricultural exports are insignificant. Some Liberians grow rubber on small farms, but their inefficient techniques produce a low-quality product that must be subsidized by a government price-support program. Significant development of peasant agriculture awaits a substantial investment in infrastructure—including roads and marketing facilities—and the establishment of agricultural programs and credit facilities.

Government attempts to develop the economy have not been very effective even though a

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wide variety of public investment projects were undertaken in the early 1960s. The government anticipated financing these projects through large earnings from iron ore and rubber exports, but this revenue did not materialize because of a drop in prices on the world market. Moreover, few of the projects were self-amortizing, and some were of a prestige nature, such as the construction of an \$18 million executive mansion. Much of the government's investment was financed by high-interest, short-term loans from suppliers and contractors. In 1963, the government was unable to meet its huge repayment obligations and was forced to obtain a rescheduling of payments.

From 1964 through 1967, Liberia apparently met the new debt payment schedule, which seems to have averaged about \$10 million a year. Some additional borrowing was undertaken during this period, however, and by the beginning of 1968 Liberia had an external debt, excluding interest, of about \$200 million, more than one half of it owed to the US Government. According to the rescheduled debt payment arrangement, Liberia's debt servicing charge was scheduled to jump to almost \$18 million in 1969.

Faced with the prospect of having to meet debt service payments in 1969 equivalent to about 40 percent of its anticipated revenues, the government successfully negotiated in the fall of 1968 a stretch-out of payments with the Export-Import Bank and a refinancing of payments due the International Monetary Fund. In late 1968, the government also worked out similar stretch-out arrangements on debts owed to commercial banks, German Kreditanstalt, and Firestone. With continued economies, improved tax measures, and no additional major borrowings, Liberia should be able to meet the revised schedule.

Lower debt payments will ease the immediate financial problems, but Liberian revenues

for the next few years are likely to cover only current expenditures, and amounts available from government sources for development will probably be almost nil. Some development funds may be accrued if the government carries out its intention of renegotiating the terms of concessions granted to foreign firms, especially those from the US, or if additional foreign investment and aid is forthcoming. Even if development funds become available, however, the rigid Americo-Liberian power structure is unlikely to go very far in altering existing economic patterns that work to its financial advantage. Moreover, there are some disturbing indications that Liberian officialdom may not hold the line on major borrowings. Having agreed to incur no debt "within the limits of political realities" the government has already approached Italian interests for financing to construct a modern port at Harper in southern Liberia—an economically unjustified, pork-barrel project for Tubman's home town that would cost between \$10 and \$12 million.

#### TROUBLE SPOTS IN LIBERIAN-US RELATIONS

Current relations between Liberia and the US are good. The Tubman regime continues to support the US on major international issues and

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American investments, valued at about \$350 million, dominate the economy.

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Nevertheless, there has been increasing concern beneath the surface that US interest in Liberia is declining. Tubman's trip to the US in March 1968 was largely to seek assurances that the US would continue to give generous economic assistance to his country. Although he spoke glowingly of his visit, he was not able to show concrete achievements and probably was particularly annoyed by his lack of success in stimulating

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US assistance for the development of the port of Harper.

Additional conversations that senior Liberian officials have had in Washington during the last year have also failed to produce satisfactory results from the Liberian point of view.

As a result, Liberian sensitivity to real and imagined slights or insults has increased. Tubman himself has shown heightened nationalistic sensitivity to US insistence on improved utilization of aid and on more effective self-help. Reacting to misinformation, poor advice, and pique, he has recently ordered two Americans, one at Episco-

palian church - supported Cuttington College, to leave the country. He has also spoken disparagingly of the US in several recent speeches, often in off-the-cuff remarks. Although collectively, the President's actions and comments add up to an unusually intense and sustained mood of resentment toward Americans, they could be little more than tactical moves to stimulate greater US interests.

Some members of Tubman's cabinet, resentful that Liberia continues to be viewed in Africa as a protégé of the US, may be responsible for much of the trouble that has cropped up in Liberian-US relations.



Vice President William R. Tolbert--  
May head an interregnum government

While current irritations may be no more than another of the cyclical occurrences of transitory anti-American feeling in Liberia, Tubman probably will continue to show his displeasure over matters that he considers to represent outside interference in Liberian affairs.

#### PROSPECTS IN A POST-TUBMAN LIBERIA

Tubman's departure from the scene will create a serious power vacuum and could eventually unleash forces capable of disrupting Liberian society. If Tubman dies in office during his present term--his sixth--Vice President William R. Tolbert will probably become head of state in an orderly constitutional succession. Inasmuch as Tubman's personal rule cannot be institutionalized, however, it is unlikely that Tolbert or any other successor would enjoy the extraordinary

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degree of popular support and stability enjoyed by Tubman.

Tolbert, whose direct political support within the Americo-Liberian hierarchy is not impressive

would in any event probably be no more than an interim president. His interregnum would probably be marked by maneuvering among already constituted groups and certain individuals for power, and a struggle within the oligarchy seems almost inevitable.

If Tubman survives his present term and sticks by his announced decision to step down, he might well seek to pave the way to the presidency for his son, "Shad, Jr.," now a senator from Maryland County. At present, however, there is no conclusive evidence that Tubman is grooming his son or anyone else in particular. Although considered shrewd and politically astute, the US-educated younger Tubman does not appear to be endowed with the leadership qualities possessed by his father. He has on occasion, however, criticized certain aspects of the oligarchy and has referred to the need to improve the lives of the Liberian masses. Like his father, he might be able to establish close rapport with traditional tribal chiefs. Moreover, prominent families in the oligarchy might conceivably turn to him if a protracted power struggle develops within the elite after the departure of the senior Tubman.

Despite the remarkable cohesiveness of the ruling group, which has held political change at a low rate, some progressive elements now exist both outside and inside the Americo-Liberian framework. They are almost certain to push for some liberalization of the social and political structure in a post-Tubman administration. An important element within the system is a group of young Liberians, educated abroad, of both tribal

and nontribal origin. This "graduate elite" consists of 400 to 600 individuals who are mostly employed in the civil service. Generally in favor of government reform and modernization, they will eventually move into positions of greater responsibility in the government. University professors and students, whose influence on the Liberian scene is presently very slight, also have the potential to become a force for change over the long run as they increase in number and strength. Moreover, the country's fledgling labor unions and the emergence of a tribally mixed wage-labor force could eventually present the elite with a potentially strong political threat, although this must be considered a long-term development.

Post-Tubman administrations probably will be able to cope with these forces in the short run, and gradual reform is possible through compromise. When the present group of young modernists accede to power, they will probably attempt to hold on to the levers of control by expanding the oligarchy to accommodate forces of change, rather than attempting to effect major changes in the power structure. Efforts by the privileged elite to preserve its status by repressing these developing forces would lead, however, to intensified dissatisfaction and possibly to civil disturbances or even violent revolution. Liberia's long-term economic troubles are likely to exacerbate this discontent and alienate other elements of society.

The post-Tubman era will also probably result in a partial closing of the "open door" policy toward economic investment. This trend is already evident in Liberia's decision to renegotiate the concessions from which private foreign investors have profited in recent decades. Stricter terms and controls will probably not lead to nationalization, however, and it is unlikely that the government would go very far toward

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reversing its present policy of encouraging potential foreign investment.

Politically, stronger efforts will be made over the years to dispel Liberia's "neocolonial" image. A shift in orientation can be expected away from what many Liberians already view as excessive US influence in Liberia's domestic and foreign policies.

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Nevertheless, traditional political ties, Monrovia's dependence on US economic assistance, and the dominant economic position of American commercial interests will all probably prevent Liberia from moving very far away from its long-accustomed Western orientation.

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